

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ROWAN WATER, INC., A)	
NON-PROFIT CORPORATION INCORPORATED)	
PURSUANT TO CHAPTER 273 OF THE KENTUCKY)	
REVISED STATUTES, WHICH HAS ITS PRINCIPAL)	
PLACE OF BUSINESS IN ROWAN COUNTY, KENTUCKY)	CASE NO.
FOR: (1) A CERTIFICATE OF PUBLIC)	91-181
CONVENIENCE AND NECESSITY, AUTHORIZING AND)	
PERMITTING SAID CORPORATION TO CONSTRUCT AN)	
ADDITION TO ITS WATER WORKS DISTRIBUTION)	
SYSTEM AND (2) APPROVAL OF THE PROPOSED)	
PLAN OF FINANCING OF SAID PROJECT)	

O R D E R

On June 5, 1991, Rowan Water, Inc. ("Rowan Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$2,727,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 605 additional customers. Project funding includes a \$1,298,000 loan from the Farmers Home Administration ("FmHA"), an \$800,000 grant from FmHA, a \$578,800 Community Development Block Grant from the U.S. Department of Housing and Urban Development, and \$50,200 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

Rowan Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water associations and FmHA or HUD and to issue the necessary orders to

implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on June 5, 1991, KRS 278.023 does not grant to the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Rowan Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Rowan Water's proposed plan of financing with FmHA is accepted.

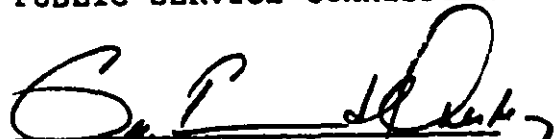
3. Rowan Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.


4. Rowan Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Rowan Water shall take immediate action to bring the system into compliance with Commission regulations.


Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 28th day of June, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director